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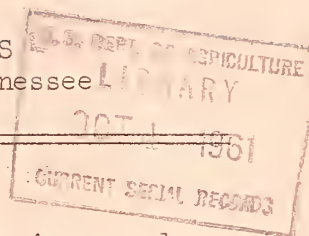
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MILK MARKET INFORMATION
CHATTANOOGA TENNESSEE MARKETING AREA
AUGUST 1961

Volume 6

Number 1

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Federal Order No. 100, 3756 Ringgold Road, Chattanooga 11, Tennessee
J. B. McCroskey, Market Administrator



MARKET SUMMARY AUGUST 1961

The MINIMUM uniform producer price is \$4.55 per cwt. f.o.b. Chattanooga Area pool plants for milk containing 4.0% butterfat. The producer butterfat differential is 7.6 cents for each one-tenth of one percent above or below 4.0 percent.

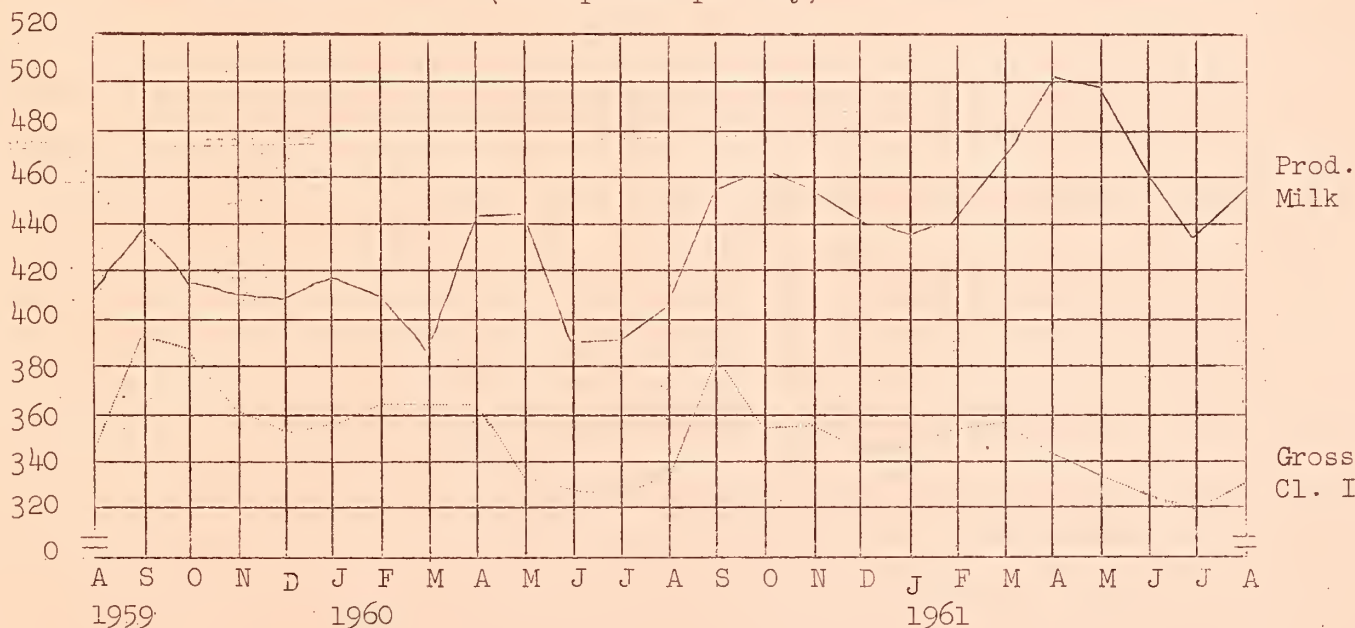
During August, 71.7% of the total producer milk was priced in Class I at \$5.20 per cwt. with a butterfat differential of 7.9 cents and 28.3% in Class II at \$3.10 per cwt. with a butterfat differential of 7.0 cents. The daily average use of Class I milk increased 3.2% compared with July 1961 and decreased 1.5% compared with August 1960.

Daily average delivery of milk from producers was 455,734 pounds in August 1961, an increase of 17,948 pounds per day compared with July 1961 and an increase of 48,976 pounds compared with August 1960. Percentage-wise, August deliveries increased 4.1% and 12.0% compared with July 1961 and August 1960 respectively. The daily average farm delivery was 667 pounds compared with 581 pounds per farm for August 1960. This shows an increase of 86 pounds (10 gallons) per farm per day.

NUMBER OF FARM PAYROLL ACCOUNTS

	1960					1961							
	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
New	17	22	6	4	2	2	1	2	3	2	1	1	13
Quit	7	15	11	7	8	13	3	3	3	2	4	3	4
Total	700	707	702	699	693	682	680	679	679	679	676	674	683

DAILY AVERAGE PRODUCER RECEIPTS COMPARED TO GROSS CLASS I UTILIZATION
(1000 pounds per day)



COMPARISON OF GROSS MILK RECEIPTS AND UTILIZATION

	<u>Aug. '61</u>	<u>July '61</u>	<u>Aug. '60</u>
Number of Plants (Pool and Non-Pool)	16	16	19
GROSS RECEIPTS POUNDS (DAILY)			
Producer Milk	455,734	437,786	406,758
% August '61 compared with:	100.0	104.1	112.0
Other Source Milk	7,626	9,099	14,041
Other Order Milk	19,051	19,965	4,634
<u>TOTAL RECEIPTS MILK POUNDS</u>	<u>482,411</u>	<u>466,850</u>	<u>425,433</u>
% August '61 compared with:	100.0	103.3	113.4
GROSS UTILIZATION POUNDS (DAILY)			
Class I Milk:			
Fluid Milk	271,124	259,899	276,285
Fluid Skim	11,558	11,094	8,710
Buttermilk	36,377	37,135	37,700
Chocolate Milk	8,976	7,921	9,762
Cream Mixture ($\frac{1}{2}$ & $\frac{1}{2}$)	1,276	1,201	1,012
Light Cream (X)	332	341	563
Heavy Cream (XX)	552	572	595
Sour Cream	276	292	273
Bulk to Non-Handlers	208	86	55
Class I Shrinkage	749	2,696	2,292
Inventory Reclassification	(104)	(164)	(810)
Overstated Sales	(17)	(14)	-
<u>Total Class I Milk</u>	<u>331,307</u>	<u>321,059</u>	<u>336,437</u>
% August '61 compared with:	100.0	103.2	98.5
Class II Milk: (Used to Produce)			
Butter	6,144	5,105	3,249
Cottage Cheese	17,055	14,704	16,382
Powdered and Condensed Milk	85,210	80,819	37,968
Ice Cream	28,557	30,642	20,004
Inventory Variation	2,763	3,139	658
Other	11,375	11,382	10,735
<u>Total Class II Milk</u>	<u>151,104</u>	<u>145,791</u>	<u>88,996</u>
% August '61 compared with:	100.0	103.6	169.8
<u>TOTAL UTILIZATION CL.I AND CL.II MILK LBS.</u>	<u>482,411</u>	<u>466,850</u>	<u>425,433</u>
% Producer Milk of Gross Class I	137.6	136.4	120.9
% Producer Milk Priced in Class I	71.7	72.4	81.5

SEPTEMBER 1961 CLASS I MINIMUM PRICE COMPUTATION INCLUDING SUPPLY-DEMAND ADJUSTMENT

	<u>Sept. '61</u>	<u>Aug. '61</u>	<u>Sept. '60</u>
Basic Formula (See page 4)	\$3.65	\$3.61	\$3.45
Plus Class I Differential	1.75	1.75	1.75
Supply-Demand Adjustment	(0.40)	(0.16)	(0.06)
Class I Price, 4.0% Butterfat	\$5.00	\$5.20	\$5.14
Per \$ 1000.51 (a)			
Supply-Demand Comparison: 1st and 2nd preceding months: July and August			
Supply: Lbs. Producer Milk (July 13,571,362 and Aug. 14,127,758)			27,699,120
Demand: Lbs. Net Class I Milk (July 9,826,737 and Aug. 10,134,759)			19,961,496
Utilization Percentage: Producer milk divided by Class I			139
Standard Utilization Percentage: Range 115-119			119
Net Deviation Percentage: Utilization minus Standard Utilization			plus 20
Supply-Demand Adjustment: 2 cents x 20 percentage points			minus \$0.40

Since the supply in relation to the demand is more than the desired standard, the price is decreased 40 cents per hundredweight (2 cents x 20 percentage points).

COMPUTATION OF UNIFORM PRODUCER PRICE FOR AUGUST 1961
Based on 16 plant reports prior to audit

	Class %	Milk Pounds	Butterfat Test-%	Cwt. Price @ Test	Value
Gross Class I		10,270,518	3.473		
Less Other Source		138,985	1.844		
Producer Milk Class I	71.7%	10,131,533	3.494871	\$4.800948	\$486,409.63
Gross Class II		4,684,239	5.259		
Less Other Source		688,014	3.150		
Producer Milk Class II	28.3	3,996,225	5.621931	4.235352	169,254.20
TOTAL PROD. (Cl. I + Cl. II)	100.0	14,127,758	4.096538		655,663.83
Less Fractional Adjustment					.01
Add Compensatory Payment Value					12.15
Add Overage Value					10.53
Add Inventory Reclassification Value					20.97
Add $\frac{1}{2}$ Producer-Settlement Fund Reserve					3,983.66
TOTAL VALUE AT TEST		14,127,758	4.096538		659,691.13
Less Test Over 4% @ 7.6¢ per point		14,127,758	.096538	0.073369	10,365.39
TOTAL VALUE AT 4.0%		14,127,758	4.0	4.596099	649,325.74
Less Producer-Settlement Fund Reserve		14,127,758		.046099	6,512.76
UNIFORM PRICE f.o.b. POOL PLANT - 4%		14,127,758	4.0	\$4.55	\$642,812.98

AUGUST 1961 MINIMUM PRODUCER PRICES CWT. f.o.b. CHATTANOOGA POOL PLANT (0-65 Mile Zone)
BUTTERFAT DIFFERENTIAL 7.6¢ PER POINT (EXCLUDES PREMIUMS)

TEST	PRICE	TEST	PRICE	TEST	PRICE	TEST	PRICE	TEST	PRICE
3.0	\$3.79	3.6	\$4.246	4.2	\$4.702	4.8	\$5.158	5.4	\$5.614
3.05	3.828	3.65	4.284	4.25	4.74	4.85	5.196	5.45	5.652
3.1	3.866	3.7	4.322	4.3	4.778	4.9	5.234	5.5	5.69
3.15	3.904	3.75	4.36	4.35	4.816	4.95	5.272	5.55	5.728
3.2	3.942	3.8	4.398	4.4	4.854	5.0	5.31	5.6	5.766
3.25	3.98	3.85	4.436	4.45	4.892	5.05	5.348	5.65	5.804
3.3	4.018	3.9	4.474	4.5	4.93	5.1	5.386	5.7	5.842
3.35	4.056	3.95	4.512	4.55	4.968	5.15	5.424	5.75	5.88
3.4	4.094	4.0	4.55	4.6	5.006	5.2	5.462	5.8	5.918
3.45	4.132	4.05	4.588	4.65	5.044	5.25	5.50	5.85	5.956
3.5	4.17	4.1	4.626	4.7	5.082	5.3	5.538	5.9	5.994
3.55	4.208	4.15	4.664	4.75	5.12	5.35	5.576	5.95	6.032

AUGUST MILK SAMPLES TESTED - Producer Fresh Samples 5,859 - Handler Finished Products 280.

PRODUCER MILK BASE NOTICE

PRODUCERS WILL ESTABLISH A NEW BASE to be used during the 1962 March through July base and excess pay periods. Daily bases are established by each producer on his deliveries of milk to the market pool plants during the period of September 1, 1961 through January 31, 1962, divided by the number of days he delivered or by 120, whichever is the greater.

All Producers, particularly partnerships, are urged to see that their NEW BASE IS ESTABLISHED IN THE CORRECT NAME. This name should be the one used to obtain a Grade A permit or sign a contract with a handler or cooperative association. The use of different names may result in loss of established base to a producer.

CHATTANOOGA ORDER MILK PRICES (4 PERCENT MILK)

Month	PRODUCER UNIFORM PRICES ^{1/}				HANDLER CLASS PRICES ^{1/}			
	Per Hundredweight				Class I		Class II	
	Uniform	Base	Excess	Bf.Dif.	Cwt.	Bf.Dif.	Cwt.	Bf.Dif.
Aug. '60	\$4.83	-	-	7.4¢	\$5.26	7.5¢	\$3.09	6.8¢
Sept.	4.84	-	-	7.6	5.14	7.7	3.50	7.0
Oct.	4.74	-	-	7.6	5.19	8.0	3.52	7.0
Nov.	4.85	-	-	7.6	5.30	7.9	3.55	7.1
Dec.	4.84	-	-	7.6	5.29	8.0	3.50	7.0
Jan. '61	4.96	-	-	7.6	5.43	7.9	3.50	7.0
Feb.	4.96	-	-	7.6	5.43	7.9	3.21	7.0
Mar.	4.73 ^{2/}	\$4.89	\$3.17	7.6	5.29	7.9	3.21	7.0
Apr.	4.56 ^{2/}	4.78	3.15	7.6	5.26	7.9	3.19	7.0
May	4.43 ^{2/}	4.65	3.09	7.6	5.14	7.9	3.13	7.0
June	4.51 ^{2/}	4.69	3.07	7.6	5.16	7.9	3.11	7.0
July	4.58 ^{2/}	4.76	3.06	7.6	5.20	7.9	3.10	7.0
Aug.	4.55	-	-	7.6	5.20	7.9	3.10	7.0
Sept.	-	-	-	-	5.00	7.9	-	-

PRICES USED IN DETERMINING CLASS PRICES

Month	AVERAGE QUOTATIONS				ALTERNATIVE FORMULAS (\$-cwt-4%)				Highest or Basic Formula \$-cwt-4%
	Mid-West Cond.	Chi. 920 Butter	Chi. Area Powders	Wisc. Cheese	Mid-West Cond.	Butter Cheese	Butter Powder	4 Tenn. Milk Mfg.	
	\$-cwt-3.5%	¢ Lb.	¢ Lb.	¢ Lb.	Cond.	Cheese	Powder	Milk	
Aug. '60	3.076	59.041	12.720	33.062	3.45	3.22	3.40	3.09	3.45
Sept.	3.202	61.280	12.780	36.600	3.58	3.38	3.50	3.23	3.58
Oct.	3.311	60.773	13.085	37.750	3.69	3.38	3.52	3.25	3.69
Nov.	3.402	61.470	13.150	37.750	3.78	3.41	3.55	3.25	3.78
Dec.	3.440	60.491	13.130	37.750	3.82	3.37	3.50	3.25	3.82
Jan. '61	3.415	60.466	13.190	36.750	3.80	3.35	3.50	3.25	3.80
Feb.	3.240	60.460	13.180	33.938	3.62	3.30	3.50	3.21	3.62
Mar.	3.228	60.466	13.120	34.700	3.61	3.31	3.50	3.21	3.61
Apr.	3.230	60.466	14.325	34.625	3.61	3.31	3.58	3.19	3.61
May	3.188	60.466	14.615	34.344	3.57	3.31	3.61	3.13	3.61
June	3.122	60.466	14.820	34.250	3.50	3.31	3.61	3.11	3.61
July	3.154	60.466	14.865	34.375	3.53	3.31	3.61	3.10	3.61
Aug.	3.173	60.466	15.120	34.750	3.55	3.31	3.65	3.10	3.65

SUMMARY OF RECEIPTS AND USE (DAILY AVERAGE POUNDS)

Month	GROSS MILK ^{3/}			PRODUCER MILK ^{3/}				Deliveries Per			Prod.
	No.	Total	Class I	Class I	Total	Base	No.	Farm---Pounds			Milk
	Hdlrs.	Receipt	Use	Use	Receipt	Receipt	Prod.	Prod.	Base	Exc.	Test%
Aug. '60	19	425,433	336,437	331,519	406,758	-	700	581	-	-	4.07
Sept.	18	465,087	384,465	379,222	453,829	-	707	642	-	-	4.12
Oct.	18	475,398	357,470	352,238	461,276	-	702	657	-	-	4.32
Nov.	18	473,586	357,816	350,520	456,896	-	699	654	-	-	4.41
Dec.	19	462,660	348,283	341,170	441,649	-	693	637	-	-	4.47
Jan. '61	19	453,461	348,486	342,735	438,370	-	682	643	-	-	4.46
Feb.	19	459,303	356,369	350,556	441,509	-	680	649	-	-	4.32
Mar.	19	491,471	358,734	354,390	470,370	425,350	679	693	626	67	4.22
Apr.	19	524,575	345,341	340,710	500,199	433,593	679	737	639	98	4.17
May	19	543,037	335,821	331,836	499,382	429,582	679	735	633	102	4.17
June	17	527,187	326,698	322,572	460,329	409,710	676	681	606	75	4.16
July	16	466,850	321,059	316,817	437,786	391,221	674	650	580	70	4.11
Aug.	16	482,411	331,307	326,824	455,734	-	683	667	-	-	4.10

^{1/} Excludes Premiums^{2/} For statistics only^{3/} Other Source is Gross minus Producer; Class II is Receipts minus Class I;
Excess is Producer minus Base